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88th Annual
**MEMBERSHIP
MEETING**

CenterPointe Office Center
626 Jacksonville Rd, Suite 250
Warminster, PA 18974

September 27, 2022

Agenda

Tuesday, September 27, 2022

Roll Call & Determination of a Quorum

Reading & Approval of the Minutes of
the 87th Annual Meeting

Report Of The President/CEO

Report Of The Audit Committee

Report Of The Credit Committee

Report Of The Board of Directors

Unfinished Business

New Business

Report of the Nominating Committee

Adjournment

Minutes of the 87th Annual Meeting

Held at Centerpointe Office Center, Warminster, PA on Tuesday, September 28, 2021

1. Call to Order: Chairman Dr. Christopher McGinley called the meeting to order at 6:00 p.m. At this time, Chairman Dr. McGinley would like to mention the passing of a former Board Member, Andrew Folino and the retirement of two long time Board Members, Lowell A. Tinner and Joseph Yerkes. We would like to thank them for their dedication and years of service.
2. Call for a Quorum: Mr. Charles Whiting advised that a quorum was present.
3. Reading of the Minutes of the 86th Annual Meeting: A motion to dispense with the reading of the Minutes and accept them as printed and distributed was unanimously approved.
4. Report of the President/CEO: Mr. John F. King, President/CEO, gave his report, a copy of which is made part of the Minutes.
5. Audit Committee Report: Crystal Barnett, Chairperson of the Audit Committee, gave the report of the Committee, a copy of which is made part of the Minutes.
6. Credit Committee Report: Mr. Rick MacLeod, Secretary of the Credit Committee, gave the report of the activities of the Credit Committee, a copy of which is made part of the Minutes.
7. Report of the Board of Directors: Chairman Dr. McGinley gave the report of the Board of Directors, a copy of which is made part of the Minutes.
8. Unfinished Business: Chairman McGinley asked if there was any unfinished business; there was none.
9. New Business: Chairman McGinley asked if there was any new business; there was none.
10. Report of the Nominating Committee: Mr. Dave Wilson gave the Nominating Committee report, a copy of which is made part of the Minutes. He announced that the following names had been placed into nomination:

Board of Directors: Charles M. Whiting
Crystal Barnett
Matthew Lentz
Wade Birchfield

Credit Committee: John F. King

There were no nominations received by petition.

There not being a contested election, under our Bylaws no ballots were mailed. The candidates were declared elected by acclamation.

11. Adjournment: There being no other business, the Chairman declared the meeting adjourned at 6:25 P.M.


Charles M. Whiting, Secretary

Statement of Income

	Year ended August 31, 2022	Year ended August 31, 2021
Income		
Interest on Loans	\$ 28,104,334	\$ 31,010,962
Income on Investments	3,240,189	1,082,390
Service Fees & Charges	7,601,287	6,574,822
Other Non-Interest Income	7,762,139	11,030,164
Total Operating Income	\$ 46,707,949	\$ 49,698,338
Expenses		
Employee Compensation	\$ 7,445,175	\$ 7,492,267
Employee Benefits	3,343,736	3,288,828
Education, Travel, and Association Expense	172,279	148,355
Office Occupancy Expense	891,922	2,218,197
Office Operating Expense	2,587,562	3,625,336
Professional and Outside Services	4,968,873	5,293,445
Loan Origination and Servicing Expense	2,165,603	2,457,232
Marketing Expense	361,612	408,052
Miscellaneous Expense	677,868	564,247
Provision for Loan Losses	5,075,000	5,400,000
Total Operating Expenses	\$ 27,689,630	\$ 30,895,959
Dividends	6,034,745	8,006,240
Total Expenses	33,724,375	38,902,199
Net Income	\$ 12,983,574	\$ 10,796,139

Statement of Financial Condition

	August 31, 2022	August 31, 2021
Assets		
Loans	\$ 700,416,473	\$ 613,515,269
Allowance for Loan Losses	(10,269,013)	(10,348,151)
Cash and Cash Equivalents	1,841,128	1,534,658
Interest Bearing Accounts	240,094,760	458,464,310
Securities Available for Sale	121,914,747	19,755,369
Accrued Interest Receivable	2,716,749	2,234,402
Land and Building	50,001	50,001
Furniture & Equipment	18	18
Share Insurance Deposit	8,976,531	9,269,253
Prepaid Expenses and Other Assets	15,705,576	14,686,398
Total Assets	\$ 1,081,446,970	\$ 1,109,161,527
Liabilities		
Share Accounts	\$ 311,410,014	\$ 307,971,515
Share Drafts	175,809,406	183,065,469
Money Markets	156,736,260	147,465,782
IRA Shares	18,178,984	17,265,610
Share Certificates	234,763,841	273,505,496
IRA Certificates	40,528,578	47,523,633
Accounts Payable	4,403,247	290,702
Accrued Expenses	3,756,195	4,898,451
Total Liabilities	\$ 945,586,525	\$ 981,986,658
Equity		
Undivided Earnings	\$ 139,258,445	\$ 123,882,805
Regular Reserves	-	2,392,064
Valuation Allowance	(3,398,000)	900,000
Total Equity	\$ 135,860,445	\$ 127,174,869
Total Liabilities & Equity	\$ 1,081,446,970	\$ 1,109,161,527

Report of the President/CEO

The past year has been yet another profitable year for your credit union. We have enjoyed an increase in net income, capital, and loans. None of these accomplishments would have been possible without the support of our members by choosing our products and services for your financial needs. Thank you for your support.

Over the past year we have experienced a decrease in our overall share balances and membership. There are various reasons for these declines, from members seeking higher returns to estates getting settled. Members are the life blood of this organization, and we exist for the benefit of every member. To secure the ongoing success of your credit union I have a small and simple request; invite your family and friends to join. If we all sign up just one new member this coming year, we will help secure our continued success.

During the pandemic the government offered relief to businesses with a PPP loan. During the period of April 2020 to May of 2021 your Credit Union participated in this program and the reason was simple, to help our existing and future members with financial support for their businesses. During those periods we lent a total of \$8.8 million to 229 members. There has been some bad press about these loans, but I'm happy to report that all the loans were paid back with the exception of 3 for a total of \$68,262.57 which are currently up to date and making regular payments. Should payments stop, the Federal government will make the Credit Union whole. We were able to help people without jeopardizing the financial strength of your credit union which is "PEOPLE HELPING PEOPLE" the Credit Union way.

We typically like to report a new service or a product that was introduced to our members in the past year, but it's a little different this year. We are currently offering all the services and products available on the market today to our members. An accomplishment made over the past year was a thorough evaluation of all our services and products. We made numerous adjustments and updated them to bring a better product to you. One specific product that continues to evolve is our mobile banking. During the past year, we added a self-service feature to open a certificate of deposit, reducing the need to visit an access center. We also added a feature that totals the Certificate of deposit and loans on your account, and to further protect your account we initiated two factor authentication.

With another successful year behind us, we will, along with the Board of Directors, continue to be diligent in our stewardship of the assets of the Credit Union. Finally, I'll end the way I started this report, with a Thank You to you our members for all you do to support the overall success of YOUR Credit Union.

Respectfully submitted,

John F. King
President/CEO

Report of the Audit Committee

It is the responsibility of the Audit Committee to safeguard the interests of the Credit Union Membership. The Committee is responsible for examining the overall financial operation of the Credit Union, as well as reviewing policies, procedures, and regulations governing the Credit Union and ensuring that they are followed.

Due to the complex nature of these duties and responsibilities, Freedom Credit Union retained the services of RKL LLP to conduct an audit of the Credit Union's records. The firm conducted their audit for fiscal year ending March 31, 2022, in accordance with generally accepted auditing standards and regulatory guidelines governing credit unions. As a result of the tests performed, they rendered a favorable opinion on the financial condition of the Credit Union.

The Credit Union also engages RKL LLP to provide internal audit services. Services are provided throughout the year and include the review of various functions from which recommendations are made when appropriate.

We also meet with the President/CEO to discuss the results of examination reports issued by the Pennsylvania Department of Banking, the National Credit Union Administration, and our external auditors.

If you need to contact us during the year, please address your correspondence to the Audit Committee, % Freedom Credit Union. We will get back to you as soon as possible.

We would like to extend our thanks to the Board of Directors and to the office staff for their assistance throughout the year.

Respectfully submitted,

Crystal B. Barnett, Chairperson
Wade Birchfield
Steven J. Turco

Report of the Credit Committee

For the twelve months ending August 31, 2022, the Credit Committee approved and disbursed \$262,000,000 in loans. These loans consisted of \$160,000,000 in Consumer Loans, and \$102,000,000 in Mortgage Loans.

We participate in Indirect Auto Lending with 50 local dealerships. This program generated 2,700 loans over the past year, with balances totaling \$85,000,000.

In addition, over the past year, our Automobile Refinance program, which offers current and prospective members the opportunity to refinance an automobile loan they have with other financial institutions, generated 720 loans, totaling \$19,000,000.

The Credit Committee would like to express its sincere thanks to the loan officers and office staff whose hard work and dedication have substantially reduced the Committee's workload.

Respectfully submitted,

John F. King, Chairman
Rick MacLeod, Secretary
Karin Colon, Member



Report of the Board of Directors

We continue to experience exceptional performance for your credit union. The financial strength that we are experiencing is due to the continued support and participation of our members in our lending and savings programs. We are committed to enhancing and introducing state of the art products and services that help you achieve your financial goals.

This past year has also been a strain on our members with the cost of everyday goods and services going up. During this time, we have maintained low loan rates so the burden of debt is less than it would be if you had to go to another financial institution. We have also started raising our rates on all our savings products. As a financial cooperative, we have a responsibility to keep loan rates down and savings rates higher than the competition. We encourage you to review our current rates on our money market and certificates.

Due to the residual of the pandemic, we have not been as active in various communities as we would have liked to be. We were able to award three members who are students with educational scholarships. Each of the recipients were asked to write an essay based on the founding principles of our Credit Union "People helping People". Each winner received \$2,000.00 for educational expenses. This coming year we expect to get back to supporting the Philadelphia School District with the Dr. Marcus Foster and Dr. Poindexter awards.

Once again, your Board of Directors would like to thank you, our Members, for giving us the opportunity to serve you. We would also like to thank the entire Credit Union staff for their support this past year; without their day-to-day support of our members, we would not be as successful as we have been. We look forward to experiencing continued growth and success of your Credit Union.

Respectfully submitted,

Board of Directors
Freedom Credit Union



Board of Directors

Dr. Christopher McGinley, Chairman

George Madden, Vice Chairman

Charles M. Whiting, Secretary

Matthew Lentz, Treasurer

Crystal B. Barnett, Member

Wade Birchfield, Member

Vincent W. Rutland, Member

Marie E. Sejda, Member

Steven J. Turco, Member

Donald M. Woods, Member

Audit Committee

Crystal B. Barnett, Chairperson

Wade Birchfield, Member

Steven J. Turco, Member

Credit Committee

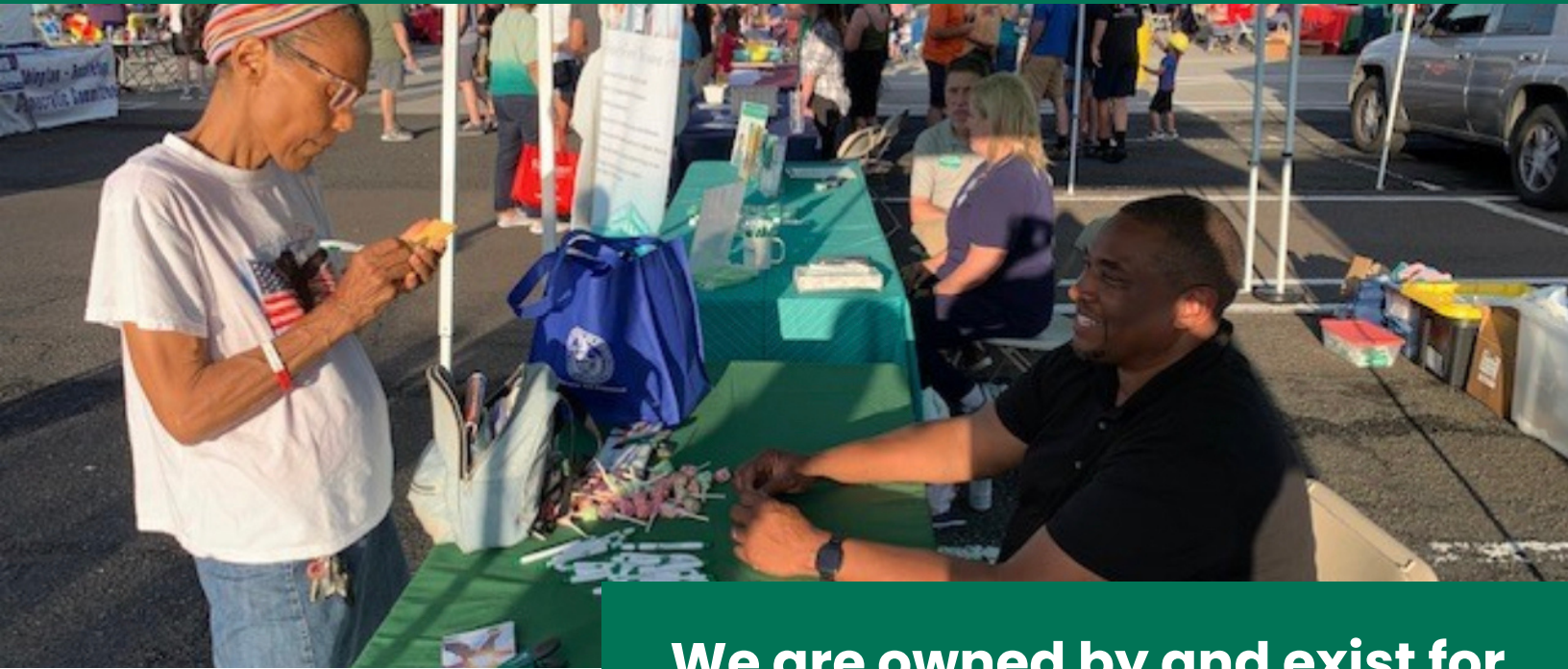
John F. King, Chairman

Rick MacLeod, Secretary

Karin Colon, Member

President/CEO

John F. King



LOCATIONS

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Abington, PA 19001

35 W Street Road,
Warminster, PA
18974

2333 Fairmount Ave,
Philadelphia, PA
19130

9910 Frankford Ave
Philadelphia, PA 19114

**We are owned by and exist for
our members. Freedom Credit
Union is committed to meeting
our members' needs through
quality products, services, and
financial solutions.**



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Fax: 215-612-5939

FreedomCU.org



Federally insured by NCUA

Annual Report 2022